

Statement of Pete Homer Jr., President/CEO  
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Washington, DC

Testimony to the Senate Committee on Small Business and Entrepreneurship  
And the  
Senate Committee on Indian Affairs  
April 30, 2002

Thank you, Mr. Chairman and members of the Senate Committee on Small Business & Entrepreneurship and the Senate Committee on Indian Affairs. On behalf of the National Indian Business Association (NIBA), I would like to thank you all for the opportunity to testify today on this very important legislation, the "Native American Small Business Development Act."

My name is Pete Homer, Jr., a Mojave Indian, enrolled member of the Colorado River Indian Tribes of Arizona. I serve as the Tribal consultant working to establish the Tribal Hydro Electric Enterprise, I also serve as the President and CEO of the National Indian Business Association, a National Trade Organization established in 1992 to promote Native American Business development through education, communication and advocacy. NIBA represents 24,000 Native American owned businesses nationwide. Our mission is to stimulate business development, job creation and economic activity within Native American communities.

I have over 36 years experience working in business, employment and community development. In 1992, I served as the Small Business Administration's (SBA) first director in the Office of Native American Affairs. I structured, implemented and coordinated all SBA programs for Native American Communities. And today, is an exciting day for me because, I am participating in making these programs statutory.

As you are aware, socio-economic statistics pertaining to Native Americans remains grim. Even today, many Native American businesses are still without adequate training and technology to compete and do business with the private sector and the federal government. Yet in spite of this, there are some bright spots on the horizon for Native American Business development. The explosive growth and demand for information technology and business e-commerce continues. Overseas businesses often fill the void in US based information technology businesses, while the potential resources of Native American businesses on and off Native American reservations are overlooked. Among the problems cited by Native American businesses is that there are few training and technical assistance centers, mentor or incentive programs that focus specifically on assisting the development of Native American businesses. It is this void that drives NIBA in its support of the Native American Small Business Development Act.

The establishment of Small Business Development Centers in Indian Country would serve as the central focal point for training, technical assistance,

education, e-commerce development programs and technical assistance services with the goal of expanding the number of Native American businesses and creating Native American jobs. NIBA recommends the SBA, Native American Small Business Development Act includes the following objectives:

1. Provide training, education, management and technical assistance to Native American tribal and individual businesses nationwide.
2. Develop and maintain an inventory of Native American vendor firms qualified and capable of selling their goods and services to the public and private sectors and an outreach program to facilitate this interface.
3. Identify, develop and coordinate capital sources for investment in or lending to Native American firms or potential businesses.
4. Identify, develop and coordinate public/private sector management and technical assistance resources for qualified Native American firms.
5. Provide education and technical support for Native American Women firms or potential businesses.
6. Fund a National Native American Business Development program in Washington, DC to provide coordination and technical support for computer access for e-commerce, b-commerce and the development of Information Technology.
7. Develop a Native American computerized data resource center that will transfer e-commerce and other technology to Native American businesses nationwide and establish a National website for information transfer.
8. Develop the important linkages and coordination with all SBA Regional and District offices needed to coordinate nationwide all SBA services to Indian Country.

The National Indian Business Association is presenting testimony to seek your support on the passage of the Senate "Native American Small Business Development Act." We urge both Committees; the Senate Committee on Small Business & Entrepreneurship and the Senate Committee on Indian Affairs, to work together and come to a consensus because Native American businesses will benefit as a result of this legislation. I also thank the Committees for recognizing and focusing on legislation that will create self-sufficiency, jobs, and economic development in Indian Country through training and technical assistance.

This Senate legislation will create a bright future for Indian Country because for the first time in SBA's history, legislation will establish a statutory SBA, Office of Native American Affairs. This office will focus on outreaching to all Indian reservations and Native communities to provide training and technical

assistance, ensuring that efforts and equal access and opportunities will increase Native American participation in SBA programs.

The establishment of a financial and resource assistance program to fund Native American Business Centers through Tribal Colleges, Tribal Governments and Native organizations will provide culturally tailored business development assistance to Native Americans. We all know, that access to capital in Indian Country is, very limited and loans small or large, are non-existent, creating a barrier to business development on reservations. This legislation will create the assistance for Native businesses to seek other loans outside the Bureau of Indian Affairs guaranteed loan program. There are many choices of government loan marketing programs, like Fannie Mae and Freddie Mac who serve as secondary lenders. The SBA has very good guaranteed loan programs and operates a secondary loan market for its loans. This legislation will provide the assistance needed for development of loan packaging that will have positive effects in Indian Country. Community banks play a critical role in providing small loans to Native American businesses especially through SBA lending programs. We support the financial resource assistance of this legislation that will provide capital for economic development on Indian Reservations.

This legislation establishes two innovative pilot programs for native reservation and community businesses: the Native American Development Grant Pilot Program and the American Indian Tribal Assistance Center Grant Pilot Program. These programs will bridge the gap of the digital divide in information technology for Native American communities. NIBA supports the two innovative pilot programs.

NIBA is highly optimistic that this legislation can serve to advance Native American economic development through preference contracting by providing assistance to Native American businesses that will allow for the development of more Tribal 8(a) and HUBZone certified companies.

Sustainable small business development in Indian Country remains as the engine for new job creation and economic growth. Given the current fragile state of the economy, this is no time to further weaken much needed small business resources.

Chairman Kerry and Senator Bond, we thank you, and other members of the Committee, it was through your leadership and through bipartisanship support that created the HUBZone program; a very important program in Indian Country. Chairman Inouye, Senator Campbell, Senator Johnson and Senator Kerry, we thank you for the Native American Small Business Development Act and we ask for that same bipartisanship support in passing this important piece of legislation.

Thank you for allowing me to present testimony on behalf of NIBA. NIBA appreciates the Committee's consideration of its views. I would be glad to respond to any questions the Committees may have.